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29 August 1959

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## CENTRAL

# INTELLIGENCE

## BULLETIN



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### CENTRAL INTELLIGENCE BULLETIN

29 August 1959

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#### DAILY BRIEF

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	25X1	I. THE COMMUNIST BLOC
	Commun	ist China - India: The border clashes between Chi-

nese Communist and Indian troops publicized by Nehru in the Indian Parliament on 28 August occurred in areas of northeast Kashmir and Assam which Peiping claims are Chinese Communist territory. Nehru, who is publicly committed to defense of the frontier areas involved, has turned the Assam problem over

the frontier areas involved, has turned the Assam problem over to military commanders. Indian armed forces in Assam will make a determined effort to dislodge the Chinese from outposts in territory

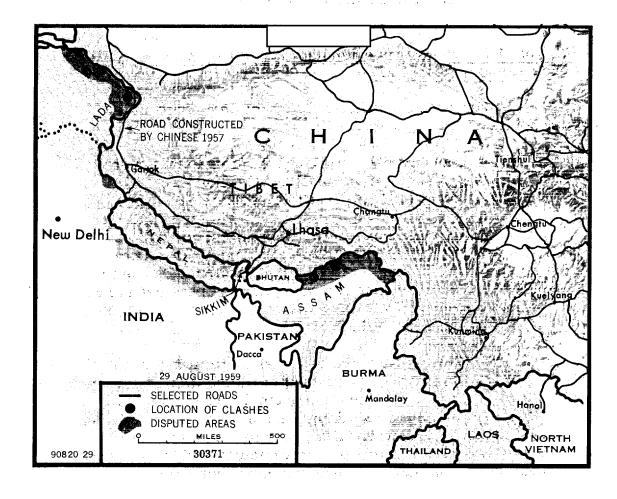
which New Delhi regards as indisputably Indian. Chinese military

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25X1	activity against remnants of Tibetan rebel bands in the rugged border country may lead to forays over the poorly defined boundary and further clashes involving Indian outpost troops.  (Map)			
1/10	USSR has offered to extend to Morocco. Aid talks Rabat. The terms of the \$100,000,000 credit for amounts of aid to meet requirement for foreign hopes that such offers for evacuation of Wester	nere is accumulating evidence the deconomic and technical may now be taking place in the offers reportedly vary from goods and technical assistant specific needs, such as Morn exchange loans. Moscow a will induce Rabat to take a stern forcesparticularly US	assistance Moscow and om a Soviet nce to small cocco's recent pparently tronger stand	25X1 
	Morocco.			
		. ASIA-AFRICA		
Laos: Communist insurgents are continuing their hit-and- run tactics in scattered areas. A raid on a small army post 16 miles east of Vientiane on the night of 27 August is the closest ac- tion to the capital yet reported. The USSR, rejecting the British proposal for a neutral observer in Laos, has countered with a suggestion that the heads of the three delegations of the Laotian ICC personally investigate the situation. This step would be re- jected by Vientiane as tantamount to a return of the ICC. Mos- cow's initial reaction to the US announcement of increased aid to Laos, while describing the aid as "oil on the fire," was consistent				
	with the pose of "respo	nsibility" which the USSR ha f the Geneva cochairmen. T	ıs maintained	25X1
	29 Aug 59	DAILY BRIEF	ii	25X1
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#### Sino-Indian Border Clashes

The latest clashes between Chinese Communist and Indian troops along the Assam border may be the result of Chinese operations against remnants of Tibetan rebel bands seeking refuge in the rugged hill country. The clashes occurred in territory claimed by both Peiping and New Delhi; the Chinese seem determined to stand firm on their claims in this area, and further incidents are likely.

Reporting the incidents to the Indian Parliament on 28 August, Nehru said that an Indian outpost on the northeast frontier was taken by the Chinese on 7 August. It was later recovered, but 12 Indian soldiers were captured in a more serious engagement on 25 August. In replying to New Delhi's protest over these incursions, Peiping said the Indians fired first and accused India of "collusion" with Tibetan rebels.

Nehru has declared repeatedly since 1950 that his government would defend the territory lying south of the Mac-Mahon Line in Assam in which the Chinese incursions have taken place. He has placed the entire northeast frontier area under military command, commenting that "there could be no alternative policy for us but to defend the country's borders and integrity." He cautioned, however, against panic and resort to any "wrong action."

The Indians have also reported Chinese troops in the disputed Ladakh area of Kashmir. The Chinese have built a road through the Indian-claimed portion. An Indian patrol sent into the area was captured in July by Chinese troops and later released.

Nehru's detailed account of the "continuing cases" of "Chinese aggression" in Assam and Ladakh will be regarded by most Indians as confirmation of the recent spate of press stories warning of Chinese "expansionist" aims. The government is likely to be under heavy pressure from Parliament and press to make good on its pledge to resist any Chinese encroachment along the Tibetan frontier.

Nehru apparently is willing to negotiate minor questions of border demarcation, but is not prepared to discuss the

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"huge chunks" of territory claimed by Peiping. Communist
China, which has been discussing a border controversy with
Burma since 1956, would probably agree to talks with the
Indians about the disputed territorial claims, but would pro-
tract the discussions without any real effort to reach a defini-
tive settlement.

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II. ASIA-AFRICA					
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Laos

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Communist partisans continue guerrilla raids in scattered areas of Laos. A 27 August raid on a government post only 16 miles east of Vientiane apparently was designed to sow confusion and weaken morale in the administrative capital. Villagers along the Mekong River in central Laos are described as extremely jittery over the prospect of Communist raids.

The government has redeployed troops in an effort to check dissident activity developing in an area northeast of Luang Prabang, the royal capital. Several groups of armed Communists-one totaling 300--are reported operating in central Laos.

The USSR, in a reply described by British officials as "moderately worded," rejected Britain's proposal of 17 August that the UK and USSR as cochairmen of the Geneva agreements request the UN secretary general to appoint a neutral observer to Laos. In a meeting with a high British Foreign Office official on 27 August, Soviet Ambassador Malik proposed instead that the heads of the three delegations making up the suspended ICC for Laos--India, Poland, and Canada--plus some "auxiliary staff," investigate the causes of present tension in Laos and report to the cochairmen. The Soviet counterproposal would pave the way for a complete resumption of ICC activity.

Prime Minister Nehru's reaction to Secretary General Hammarskjold's proposal that India intercede with Vientiane and Hanoi as a first step toward UN mediation indicates that New Delhi will follow its usual policy of offering its "good offices" only if all governments concerned agree on the nature and usefulness of such an effort. Hammarskjold had written Nehru on 22 August suggesting that India approach the Laotian and North Vietnamese governments to try to work out a "mediation formula" leading to the appointment of a "neutral"—and probably non-Asian—mediator. In his reply, Nehru expressed the view that assurances of "active support" would be needed from Britain and the USSR, as Geneva cochairmen, and from Poland and Canada, as members of the ICC. Nehru's desire for an assurance of "cooperation" from Laos and

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North Vietnam indicates that he also wishes to be convinced that any effort on his part will be politely received and heard,

Soviet propaganda, in addition to charging that increased "US interference" in Laos--planes from Taiwan and additional US aid-"only pours oil on the fire in Laos," stoutly maintains that only a return of the ICC can normalize the situation. A Radio Moscow broadcast in Vietnamese on 27 August charged for the first time that US advisers are "actually taking command in the raids against the Laotian people" and that "US pilots have been ferrying weapons to Laos" in planes based on Taiwan.

Deining is presented to fight in Long if the United States and	25X I
Peiping is prepared to fight in Laos if the United States and Laotian governments do not agree to the "principles of the International Control Commission." Communist China is supporting the rebels with arms (an allegation which Peiping has publicly termed "slanderous") but justified such action as legal in view of the Chinese "duty" to maintain peace in Indochina and allow "no reactionary forces to prevail." If the US did not intervene, "progressive" forces would be able to over-	25X1 25X1
turn the present government.	25X1
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